

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the third quarter ended 30/9/2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended (Unaudited) 30/9/15 RM'000	Preceding year corresponding quarter ended (Unaudited) 30/9/14 RM'000	Current year to date (Unaudited) 30/9/15 RM'000	Preceding year corresponding period (Unaudited) 30/9/14 RM'000
Revenue	60,774	57,195	165,334	172,238
Cost Of Sales	(54,505)	(51,139)	(149,837)	(157,887)
Gross Profit	6,269	6,056	15,497	14,351
Other Income	1,129	952	2,092	2,617
Distribution Costs	(2,454)	(1,975)	(6,267)	(5,541)
Administrative Expenses	(1,514)	(979)	(4,116)	(2,954)
Other Expenses	(27)	(767)	(90)	(1,098)
Finance Costs	(937)	(673)	(2,391)	(2,082)
Share of loss of associates	-	-	-	-
Profit Before Tax	2,466	2,614	4,725	5,293
Income tax Expense	(411)	(212)	(1,161)	(1,242)
Profit For The Period	2,055	2,402	3,564	4,051
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	2,055	2,402	3,564	4,051
Attributable to:				
Equity Holders Of The				
Parent	2,055	2,136	3,564	3,643
Non-Controlling Interest	-	266	-	408
Total Comprehensive Income For The Period	2,055	2,402	3,564	4,051
EPS - Basic (sen)	1.06	1.21	1.88	2.06
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 30/9/15 RM'000	As at preceding financial year end 31/12/14 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	92,055	86,479
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	143	143
	<u>98,323</u>	<u>92,747</u>
Current Assets		
Inventories	33,177	39,651
Trade receivables	24,607	17,428
Other receivables	4,225	14,597
Tax assets	568	366
Cash and bank balances	9,123	7,726
	<u>71,700</u>	<u>79,768</u>
Total Assets	<u><u>170,023</u></u>	<u><u>172,515</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(823)	(4,464)
Other reserves	5,178	5,178
Retained earnings	44,926	50,233
	<u>98,481</u>	<u>100,147</u>
Non-controlling interests	-	2,348
Total equity	<u><u>98,481</u></u>	<u><u>102,495</u></u>
Non Current Liabilities		
Long term borrowings	26,367	28,010
Deferred tax liabilities	3,596	3,428
	<u>29,963</u>	<u>31,438</u>
Current Liabilities		
Trade and other payables	9,470	10,621
Short term provisions	477	477
Short term borrowings	31,632	27,484
Current tax payables	-	-
	<u>41,579</u>	<u>38,582</u>
Total Liabilities	<u>71,542</u>	<u>70,020</u>
Total Equity And Liabilities	<u><u>170,023</u></u>	<u><u>172,515</u></u>
Net Assets Per Share (RM)	0.51	0.57

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<u>Cumulative quarter ended 30/9/2015- Unaudited</u>							
At 01/01/2015	49,200	(4,464)	5,178	50,233	100,147	2,348	102,495
Acquisition of remaining equity interest of 16.37% from Non-controlling interest				(4,852)	(4,852)	(2,348)	(7,200)
Profit for the period	-	-	-	3,564	3,564	-	3,564
Repurchase of own shares	-	(378)	-	-	(378)	-	(378)
Dividends	-	4,019	-	(4,019)	-	-	-
At 30/09/2015	49,200	(823)	5,178	44,926	98,481	-	98,481

Cumulative quarter ended 30/9/2014-Unaudited

At 01/01/2014	49,200	(4,464)	5,178	43,558	93,472	1,905	95,377
Non-controlling interest at acquisition date	-	-	-	-	-	-	-
Profit for the period	-	-	-	3,643	3,643	408	4,051
Repurchase of own shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
At 30/9/2014	49,200	(4,464)	5,178	47,201	97,115	2,313	99,428

(The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/9/15 (Unaudited) RM'000	Cumulative quarter ended 30/9/14 (Audited) RM'000
Profit before tax	4,725	5,293
Adjustment for non-cash flow:-		
Non-cash items	4,095	4,375
Non-operating items (which are investing/financing)	2,256	1,967
Operating profit before changes in working capital	<u>11,076</u>	<u>11,635</u>
Changes in working capital		
Net change in inventories	6,474	3,622
Net change in receivables	3,193	541
Net change in payables	(1,151)	(3,020)
Cash flows from operation	<u>19,592</u>	<u>12,778</u>
Tax paid	(1,317)	(1,390)
Interest paid	(2,297)	(1,977)
Net cash from operating activities	<u>15,978</u>	<u>9,411</u>
Investing Activities		
Interest received	41	10
Purchase of property, plant and equipment	(10,945)	(6,256)
Acquisition of subsidiary	(7,200)	-
Net cash (used in) investing activities	<u>(18,086)</u>	<u>(6,246)</u>
Financing Activities		
Proceeds from borrowings	83,358	70,338
Repayment of borrowings	(77,830)	(72,690)
Net cash from/(used in) financing activities	<u>5,528</u>	<u>(2,352)</u>
Net Change in Cash & Cash Equivalents	3,420	813
Cash & Cash Equivalents at beginning of the period	1,171	7,498
Cash & Cash Equivalents at end of the period	<u>4,591</u>	<u>8,311</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	1,000
Cash and bank balances	3,591	7,311
	<u>4,591</u>	<u>8,311</u>

(The Unaudited Condensed Consolidated Statement of Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying notes attached to these interim financial statements)

NOTES TO THE QUARTERLY RESULTS

1. Accounting policies

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134 - Interim Financial Reporting, IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted in this period in this financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2013 except for the:

(i) adoption of the following amendments/improvements to Malaysian Financial Reporting Standards (“MFRSs”) and new IC Interpretation (“IC Int”):

Amendments/Improvements to MFRSs

FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 139	Financial Instruments: Recognition and Measurement
New IC Int	
IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int does not have any significant impact on the financial statements of the Group.

(ii) New MFRSs, amendments/improvement to MFRSs that are issued, but not yet effective and have not been early adopted

The Group have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) as at the date of authorisation of these financial statements but are not yet effective for the Group:-

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		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 134	Interim Financial Reporting	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when FRS 9 is applied
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

The Group is in the process of assessing the impact which may arise from adoption of the above standards and amendments.

2. Seasonality and cyclicity of operations

The Group's operations for the current quarter and financial year-to-date are not significantly affected by seasonal and cyclical factors.

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3. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter and financial year-to-date.

4. Changes in estimates

There were no material changes in estimates of amounts reported in prior periods of current financial year or changes in the estimate of amounts reported in prior financial years that have material effect in the current quarter and financial year-to-date.

5. Issuance and repayment of debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year-to-date.

6. Dividend paid

There was no dividend paid in the current quarter.

7. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 30 Sep 2015 and 30 Sep 2014 are as follows:-

30 Sep 2015	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue						
External revenue	-	63,580	10,303	91,451	-	165,334
Inter-segment revenue	-	5,002	1,508	-	(6,510)	-
	-	68,582	11,811	91,451	(6,510)	165,334
Segment Results						
Segment results	(273)	3,672	837	2,023	722	6,981
Operating profit						6,981
Interest revenue						41
Interest expense						(2,297)
Taxation						(1,161)
Net profit for the period						3,564

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30 September 2014	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue						
External revenue	-	39,478	29,789	102,971	-	172,238
Inter-segment revenue	-	17,007	114	-	(17,121)	-
	-	56,485	29,903	102,971	(17,121)	172,238
Segment Results						
Segment results	(171)	4,915	1,164	2,862	(1,510)	7,260
Operating profit						7,260
Interest revenue						10
Interest expense						(1,977)
Taxation						(1,242)
Net profit for the period						4,051

No geographical analysis has been presented as the operations of the Group are solely based in Malaysia.

8. Valuation of property, plant and equipment

There were no amendments made to the valuation of property, plant and equipment that have been brought forward from the previous annual financial statements.

9. Subsequent event

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

11. Contingent liabilities or assets

Save as disclosed below, there were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at end of the current quarter.

The contingent liabilities pertaining to the corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries were RM57,999,000 as at 30 September 2015 (31 December 2014 : RM55,494,000).

12. Review of performance of the Company and its principal subsidiary companies

During the quarter under review, the Group's revenue increased to RM 60.8 million as compared to RM 57.2 million in preceding year corresponding quarter. The profit before tax in current quarter recorded at RM 2.5 million as compared to RM 2.6 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded higher at RM26.2million as compared to preceding year corresponding quarter of RM 22.9 million. The profit before tax recorded at RM 0.4 million in current quarter as compared to RM 0.1 million in preceding year corresponding quarter. The higher profit before tax in current quarter was mainly due to higher sales achieved.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter increased to RM 34.6 million as compared to RM 34.3 million in preceding year corresponding quarter. The profit before tax for this quarter registered lower at RM 2.1 million as compared to RM 2.5 million in preceding year corresponding quarter. The lower profit before tax was due to lower profit margin for the quarter under review.

The results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material or unusual nature which have arisen between 1 April 2015 and the date of this report.

13. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The profit before tax for the quarter under review recorded lower at RM 2.5 million as compared with RM 2.6 million in immediate preceding quarter. The slightly lower profit before tax in current quarter was mainly due to the lower profit margin achieved in palm oil mill segment.

14. Current year prospect

The Group remains optimistic on the positive outlook for the coming quarter.

15. Variance on forecast profit and/or profit guarantee

This was not applicable as no profit forecast and/or profit guarantee was published.

16. Profit for the period

Profit for the period is arrived at after charging/(crediting):

	Current year Quarter ended	Current year Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Current year to date
	30/9/2015 RM'000	30/9/2014 RM'000	30/9/2015 RM'000	30/9/2014 RM'000
Interest income	(31)	(6)	(41)	(10)
Other income	(1,129)	(952)	(2,092)	(2,617)
Interest expenses	914	638	2,297	1,977
Depreciation of property, plant & equipment	1,588	1,238	4,112	3,380
Foreign exchange (gain)/loss - realised	(411)	(534)	(490)	(1,337)

17. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	30/09/2015 RM'000	30/09/2015 RM'000
Based on results for the period	438	993
Origination / (reversal) of temporary differences	(27)	168
Under/(Over) provision in prior period	-	-
Tax expense	411	1,161

The effective tax rate for the current quarter and financial year-to-date was lower than the statutory tax rate mainly due to availability and utilisation of Group Tax relief.

18. Status of corporate proposals

There was no corporate proposal announced for the current quarter and financial year-to-date.

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19. Group borrowings and debt securities

Group Borrowings as at 30-Sep-15	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	1,080	3,452	4,532
Revolving credit	-	3,000	3,000
Bankers' acceptance	-	21,226	21,226
Hire purchase loans	255	-	255
Term loans	2,619	-	2,619
	<u>3,954</u>	<u>27,678</u>	<u>31,632</u>
Long term borrowings			
Hire purchase loans	377	-	377
Term loans	25,990	-	25,990
	<u>26,367</u>	<u>-</u>	<u>26,367</u>
Total Borrowings	<u>30,321</u>	<u>27,678</u>	<u>57,999</u>

Group Borrowings as at 31-Dec-14	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	1,100	5,455	6,555
Revolving credit	-	3,500	3,500
Bankers' acceptance	-	14,809	14,809
Hire purchase loans	95	-	95
Term loans	2,525	-	2,525
	<u>3,720</u>	<u>23,764</u>	<u>27,484</u>
Long term borrowings			
Hire purchase loans	107	-	107
Term loans	27,903	-	27,903
	<u>28,010</u>	<u>-</u>	<u>28,010</u>
Total Borrowings	<u>31,730</u>	<u>23,764</u>	<u>55,494</u>

The above Group borrowings are denominated in Ringgit Malaysia.

20. Material pending litigation

There were no material litigations pending since the last annual financial statement.

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21. Dividend

There was no dividend declared or recommended for the current quarter and financial year-to-date.

22. Earnings per share

- (a) The amount used as the numerator in calculating basic earnings per share is profit after tax attributable to equity holder of the parent reported for the respective period.
- (b) The weighted average number of shares used as the denominator in calculating basic earnings per share are 194,662,201 for current quarter and 189,552,392 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period is 177,127,500.

23. Realised and Unrealised Profits/Losses Disclosure

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:-

	As at 30/9/2015 RM'000	As at 31/12/2014 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	87,345	88,688
-Unrealised	(1,329)	(1,013)
	<hr/> 86,016	<hr/> 87,675
Less: Consolidation adjustments	(41,090)	(37,442)
	<hr/>	<hr/>
Total Group retained profit as per consolidated accounts	44,926	50,233
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